Ground rules are changed for buying software

The retail computer software marketplace today is undergoing tremendous upheaval. There is vastly more competition; the number of outlets has virtually doubled in the last two years, and dozens of national mail-order firms now compete for local business. Also, the goals of computer stores are at odds with those of business customers. Stores need to sell more complete systems to survive, but users need to upgrade software and buy peripherals.

Not surprisingly, the primary casualty in all this is free service. Computers are commodity items — the IBMs and Apples that were sold as part of a package, including service, by computer stores now can be bought separately through a whole host of outlets. It no longer seems to matter where you bought your computer or software; if you want service and support, you have to pay for it, at a cost of $20 to $50 an hour at most stores.

Real opportunities

The good side of all this is there are some real opportunities for smart software shoppers.

First, assuming you are buying one of the top 100 programs, there now is little reason to buy from a particular dealer and pay list price. With a program listed at $700, you might save $300 or more simply by calling one of many mail-order firms that offer software.

Second, rather than being locked into one computer dealer, you may even enjoy the freedom of testing different vendors and consultants. Hardware salespeople tend to give the same advice to everyone, regardless of their needs. It never ceases to amaze me that WordStar, a word-processing program many users find very difficult to learn and use, is still pushed to countless consumers.

Recommended strategy

Here is my recommended strategy for finding the software you need:

✔ Start out by seeking the advice of as many experts as you can find, especially other firms in your own industry and independent consultants. A common first task to give a consultant is to find out what software your competitors use. You might discover, for example, that a certain accounting program is popular because it provides a method for job estimates that particularly fits your business. Without this knowledge, you might waste a lot of time adapting another program to do the same thing.

✔ After identifying programs that seem to fit, your next step is to speak to current users. See how satisfied they are. The program might do everything advertised, but have troublesome limitations that cause their personnel to curse and scream periodically. If asked, people usually will be happy to tell you how they have suffered. Finding names of users doesn't require being a sleuth — one way is just to call dealers who offer the program and ask.

✔ Recognizing that the shrink-wrapped program is just a commodity, seek the lowest-priced mail-order or software warehouse to make the purchase. For information on the lowest-priced sources for the most popular programs, write me at the Association of Computer Users, P.O. Box 9003, Boulder, Co., 80301.

✔ Finally, since your overall success depends on how well you use the program, seek a local consulting firm or training company to train your staff. And it's a good idea to groom someone on the staff to be your in-house expert.

Now, if your friendly neighborhood computer store will agree to provide training as part of the list price, it still might be a good idea to buy from them. But more commonly, they will charge the same price for the training regardless of where you bought the program.

Tips for ordering

Once you have decided which packaged software to purchase, here are some tips to use in ordering:

✔ Call on the vendor's toll-free 800 number and charge the purchase on your MasterCard or Visa account. There should be no extra cost for this, and by charging on MasterCard or Visa, your bank typically will reverse the charges if you run into trouble. Surcharges are common with American Express, and the company typically doesn't reverse charges.

✔ Double-check that you are getting the latest version. It's a good idea to first call the software manufacturer to establish the version number or release date of the latest version, and verify with the mail-order vendor that they are sending the most current software.

✔ Go ahead and bargain. Some vendors advertise that the cost of "free" overnight delivery is included in their prices; if you agree to forgo the overnight delivery, you may save an additional $12 to $20. Other vendors claim they will "beat anyone else's prices" — a good tipoff that their prices are negotiable.

✔ If you aren't sure a program will meet your needs, consider a vendor who offers return privileges, a rental program or a "restocking charge." Ask about these programs when you call. The extra cost is sometimes worth it.

Now, sit back and think of something to do with all that money you have saved.

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